IV. A. Inclusion in NATU is likely to scale down Spanish demands for US aid somewhat, although France can still be expected to request substantial economic assistance. Of more importance, however, is the probability that the Spanish Government will demand a general settlement of outstanding political disputes with other NATU powers before accepting membership. Among the more important issues that may be raised are: continued French hospitality toward Spanish political refugees, including the utilization of Spanish property in France by Spanish emigre groups; the status of Spanish Morocco and Tangler; ownership of Cibraltar; Spanish inclusion in Western European political and economic organizations; and loans from Western European countries to Spain. The number of issues raised by the Spanish Government will depend upon its desire to enter NATO. Present indications are that Franco prefers a bilateral agreement with the US, or failing this, some form of Mediterranean Pact, and that he will therefore increase his demands.

IV. B. Inclusion in NATU would probably have a slightly more deleterious effect on Spanish stability than a direct US-Spanish agreement, although criticism by the domestic opposition would be directed less against the US than against the western community in general. Spanish membership in NATU would almost inevitably involve the dispatch of troops abroad, with the consequent weakening of the police power upon which the regime depends. If a rotation policy is followed, troops returning from western Europe, with its freedom and higher living standards, might become politically disaffected. Liberalization by the government in response to domestic or foreign demands is not likely. As the regime has the character of a scalition, any significant liberalization would inevitably strike at the interests of one of the proregime groups, and threaten the entire fabric of the regime. The absence of any practical alternative to the present coalition limits Franco's domestic maneuwerability.

IV. C. Spain's relations with the NATO powers have improved considerably since the immediate postwar period, particularly with regard to commercial exchanges and diplomatically with the revocation of the UN ban on chiefs of mission and Spanish membership in the specialized agencies. At present, Spain has commercial agreements with all western European countries and air agreements with many. All the western European countries have dispatched Ambassadors or Ministers to the country.

The general softening of western European attitudes does not yet extend to the regional arrangements established to strengthen the political, economic and military cohesion of the area, and in particular not to membership in NATO. In contrast to the UN, whose membership is universal, NATO emphasizes the strengthening of democratic principles and human rights, and the nature and origin of the Spanish regime have made western European countries generally unwilling to accept Spanish inclusion.

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The only significant exception is Portugal, which has for some time urged Spanish inclusion in Atlantic Pact plans. Portugal, which forms only a small enclave in the Iberian Peninsula, has its natural defense line on the Pyrenees frontier and is bound by treaty to consult with Spain on all matters affecting peninsular defense. It has vigorously urged other MATO members to provide, at least indirectly, for Spanish participation in western defense arrangements, and has made it clear that Portugal will not send troops outside the country until Spain is included. The Portuguese can therefore be expected to welcome Spanish participation with enthusiasmo

Elsewhere in western Europe, Spanish membership in NATU can be expected to cause embarrasement to governments and to arouse the opposition of important segments of the population. In France, virtually the entire industrial labor force and the intellectuals regard Franco as a symbol of fascism and of the forces from which France was liberated in 1944. The parties most adamant on this point remain the Socialists and the left-wing Catholic MRP, neither of which could be expected to vote for Spanish inclusion. Un the other hand, there are Gaullist and certain rightist elements who increasingly favor Spain's accession to full membership in the Pact, while French military sentiment favoring a Spanish contribution of troops and bases is reportedly becoming increasingly influential. On the whole, however, the recent Spanish strikes which have generally been viewed in France as a reaffirmation of the dictatorial nature of the regime and as the hope of its imminent collapse, appear to have halted the previous slow move away from a strong anti-Franco position of the majority of the French people.

The British attitude, which remains adamant on the non-inclusion of Spain, is important not only in itself but because of its influence on Scandinavia. A considerable number of Labor Party members believe that Spain is morally, politically and militarily a greater liability than an asset, and could not be counted on to support the Labor government in the question of associating Spain with NATU. The Conservatives, on the other hand, have long advocated closer relations with Spain. The influence of the British Labor Farty can be expected to influence profoundly the attitude of the Scandinavian countries, particularly Norway which also has a Labor government. Both Norway and Denmark at present oppose Spanish inclusion, although a shift in British attitude would enable them to change this policy, albeit reluctantly.

Less difficulty would be experienced in the other NATO countries. However, important groups, including the Belgian Socialists, the Italian right-wing Socialists and Republicans, and the Dutch Socialists and Protestants, can be expected to resist any moves to bring Spain into closer relationship with the West.

Spanish inclusion in NATO, compared to a bilateral agreement with the US, would tend to diminish fears that US strategy calls for a stand on the Pyrenees, but it would not entirely dissipate them. The allocation of defense materials on a large scale to Spain might revive this belief and would from gounter to the natural desires of each power to obtain as much US assistance as possible. Particularly at the present time, and until western Europe feels itself strong enough to organize an adequate defense, any aid to Spain will be viewed as depriving more Worthy recipients of urgently-needed assistance.